

STAND. COM. REP. NO. 942

Honolulu, Hawaii

March 2, 2007

RE: H.B. No. 936

H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fourth State Legislature  
Regular Session of 2007  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 936, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GIFT CERTIFICATES,"

begs leave to report as follows:

The purpose of this bill is to expand the availability and selection of gift certificates in the marketplace while protecting consumers against deceptive service fees by:

- (1) Allowing certificate issuers to charge service fees, except for back-end service fees for dormancy or inactivity during the first 24 months after the certificate or card was issued; and
- (2) Requiring certificate issuers to disclose the existence, timing, and amount of any initial issuance fees, back-end service fees, and replacement fees.

VISA U.S.A., Inc., and a concerned individual testified in support of this bill. The Department of Commerce and Consumer Affairs, Hawaii Food Industry Association, and Retail Merchants of Hawaii opposed this measure.

Your Committee has amended this measure by:

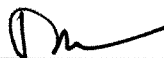
HB936 HD2 HSCR CPC HMS 2007-2853



- (1) Prohibiting certificate issuers from charging an issuance fee for a certificate upon purchase; and
- (2) Amending the definitions of "certificate issuer" and "issuer" to clarify that the terms include entities that issue electronic cards with a banked dollar value.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 936, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 936, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROBERT N. HERKES, Chair



